

**The Memorandum of Understanding on the Arrangements for
Preparation of Key Operational Issues for the Hong Kong Section of
the Guangzhou-Shenzhen-Hong Kong Express Rail Link between the
China Railway Corporation and the Government of
the Hong Kong Special Administrative Region**

Glossary of the Technical Terms

- “Section-based approach” is an arrangement for sharing fare revenue and operating costs. For fare revenue, operators from both sides will share the fare revenue according to the fare per kilometre of their respective sections. As for operating costs, when a train operated by an operator enters into the other side’s section, the holder of the section will have to pay the operating cost of the train running into its section to the other side.
- Under the “section-based approach”, operators from both sides will pay each other the operating costs of trains according to “per axle kilometre”. “Per axle kilometre” is a unit rate which is calculated based on one kilometre run by an axle (each carriage of a high-speed train has four axles, therefore each eight-carriage high-speed train has 32 axles).
- “Calculating and setting the sectional fares separately, and adding up the sectional fares to be the total fare” means as the cross-boundary high-speed rail services of the Guangzhou-Shenzhen-Hong Kong

Express Rail Link to and from the West Kowloon Station involves the Mainland Section and Hong Kong Section, the price level of respective section is calculated and determined separately. The total fare for high-speed rail service to and from the West Kowloon Station is the summation of the fares of two respective sections.

- “Fare rate multiplied by route length” means the fare level of the section is determined by the fare level per kilometre (i.e. fare rate) multiplied by the length of the section (i.e. route length).